

07 CV 3993

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
ESTATE OF GEORGE ROY HILL, DECEASED,
EDWIN BROWN AND SUSAN STEIGER,
EXECUTORS

Plaintiff,

-against-

UNITED STATES OF AMERICA

Defendants.
-----X

JUDGE STANTON

Civil Action No. _____

MAY 22 2007

COMPLAINT AND
JURY DEMAND

Plaintiff the Estate of George Roy Hill, Deceased, Edwin Brown and Susan Steiger,
Executors, by its attorneys, Katsky Korins LLP, for its complaint alleges:

COUNT I

1. Plaintiff is Estate of George Roy Hill, Deceased, Edwin Brown and Susan Steiger, Executors. The plaintiff's social security number is 472-18-0978.
2. Defendant is the United States of America.
3. This is an action for recovery of tax penalties and interest erroneously or illegally assessed and collected, and this Court has jurisdiction by reason of 28 U.S.C. §1346(a)(1).
4. Recovery is sought of penalties imposed for the failure of the decedent, George Roy Hill, to file a gift tax return for the taxable year ended December 31, 1999 and his failure to pay gift tax in a timely manner for that year.
5. The decedent, George Roy Hill died on December 27, 2002, a resident of Manhattan. His

Last Will and Testament was duly admitted to probate in the Surrogate's Court of the County of

New York, State of New York and Letters Testamentary were issued to Edwin Brown and Morton Leavy. Following the death of Morton Leavy, Successor Letters Testamentary were issued to Edwin Brown and Susan Steiger.

6. On or about March 31, 2004, the plaintiff, the Estate of George Roy Hill, filed a Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, for the decedent for the calendar year 1999 with the Internal Revenue Service Center at Cincinnati, Ohio. With the return, the plaintiff paid the balance shown thereon of \$151,332 plus interest of \$44,552.

7. On or about June 14, 2004, the Internal Revenue Service assessed a failure to file penalty of \$34,049.70 and failure to pay penalty of \$36,319.68 with respect to such year. On or about October 14, 2005, the plaintiff paid these penalties (plus interest) in the aggregate amount of \$85,906.49.

8. On or about March 20, 2006, the plaintiff sent by registered mail a Form 843, Claim for Refund and Request for Abatement, to the Internal Revenue Service Center at Covington, Kentucky for refund of (i) the failure to file penalty for 1999 in the amount of \$34,049.70, (ii) the failure to pay penalty for 1999 in the amount of \$36,319.68 and (iii) interest as allowed by law. The claim was received by the Internal Revenue Service Center on March 23, 2006. A copy of this claim is attached hereto, marked as Exhibit 1, and made a part hereof.

9. On June 7, 2006, the plaintiff resubmitted the Form 843, Claim for Refund and Request for Abatement, to such Internal Revenue Service Center.

10. By letter dated July 6, 2006, the Internal Revenue Service sent the plaintiff a formal Notice of Disallowance of its claim for refund of penalties for failure to file gift tax returns for 1999, 2000 and 2001 and failure to pay gift tax in a timely manner for each of those years. A

copy of the Notice of Disallowance is attached hereto, marked as Exhibit 2, and made a part hereof.

11. The decedent's failure to file a timely gift tax return for 1999 and failure to pay timely the gift tax due was due to reasonable cause and not to willful neglect.

12. The plaintiff has overpaid penalties for 1999 in the amount of \$70,369.38.

COUNT II

13-15. The plaintiff restates and realleges paragraphs 1 through 3 of this complaint as paragraphs 13-15.

16. Recovery is sought of penalties for the failure of the decedent, George Roy Hill, to file a gift tax return for the taxable year ended December 31, 2000 and his failure to pay gift tax in a timely manner for that year.

17. The decedent, George Roy Hill died on December 27, 2002, a resident of Manhattan. His Last Will and Testament was duly admitted to probate in the Surrogate's Court of the County of New York, State of New York and Letters Testamentary were issued to Edwin Brown and Morton Leavy. Following the death of Morton Leavy, Successor Letters Testamentary were issued to Edwin Brown and Susan Steiger.

18. On or about March 31, 2004, the plaintiff, the Estate of George Roy Hill, filed a Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, for the decedent for the calendar year 2000 with the Internal Revenue Service Center at Cincinnati, Ohio. With the return, the plaintiff paid the balance shown thereon of \$228,585 plus interest of \$42,065.

19. On or about June 14, 2004, the Internal Revenue Service assessed a failure to file penalty of \$51,431.62 and failure to pay penalty of \$35,430.67 with respect to such year. On or

about October 14, 2005, the plaintiff paid these penalties (plus interest) in the aggregate amount of \$109,765.62.

20. On or about March 20, 2006, the plaintiff sent by registered mail a Form 843, Claim for Refund and Request for Abatement, to the Internal Revenue Service Center at Covington, Kentucky for refund of (i) the failure to file penalty for 2000 in the amount of \$51,431.62, (ii) the failure to pay penalty for 2000 in the amount of \$35,430.67 and (iii) interest as allowed by law. The claim was received by the Internal Revenue Service Center on March 23, 2006. A copy of this claim is attached hereto, marked as Exhibit 1, and made a part hereof.

21. On June 7, 2006, the plaintiff resubmitted the Form 843, Claim for Refund and Request for Abatement, to such Internal Revenue Service Center.

22. By letter dated July 6, 2006, the Internal Revenue Service sent the plaintiff a formal Notice of Disallowance of its claim for refund of penalties for failure to file gift tax returns for 1999, 2000 and 2001 and failure to pay gift tax for each of those years. A copy of the Notice of Disallowance is attached hereto, marked as Exhibit 2, and made a part hereof.

23. The decedent's failure to file a timely gift tax return for 2000 and failure to pay timely the gift tax due was due to reasonable cause and not to willful neglect.

24. The plaintiff has overpaid penalties for 2000 in the amount of \$86,862.29.

COUNT III

25-27. The plaintiff restates and realleges paragraphs 1 through 3 of this complaint as paragraphs 25-27.

28. Recovery is sought of penalties for the failure of the decedent, George Roy Hill, to file a gift tax return for the taxable year ended December 31, 2001 and his failure to pay gift tax in a timely manner for that year.

29. The decedent, George Roy Hill, died on December 27, 2002, a resident of Manhattan. His Last Will and Testament was duly admitted to probate in the Surrogate's Court of the County of New York, State of New York and Letters Testamentary were issued to Edwin Brown and Morton Leavy. Following the death of Morton Leavy, Successor Letters Testamentary were issued to Edwin Brown and Susan Steiger.

30. On or about March 31, 2004, the plaintiff, the Estate of George Roy Hill, filed a Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, for the decedent for the calendar year 2001 with the Internal Revenue Service Center at Cincinnati, Ohio. With the return, the plaintiff paid the balance shown thereon of \$276,163 plus interest of \$29,026.

31. On or about June 14, 2004, the Internal Revenue Service assessed a failure to file penalty of \$62,136.67 and failure to pay penalty of \$33,139.56 with respect to such year. On or about October 14, 2005, the plaintiff paid these penalties (plus interest) in the aggregate amount of \$109,939.97.

32. On or about March 20, 2006, the plaintiff sent by registered mail a Form 843, Claim for Refund and Request for Abatement, to the Internal Revenue Service Center at Covington, Kentucky for refund of (i) the failure to file penalty for 2001 in the amount of \$62,136.67, (ii) the failure to pay penalty for 2001 in the amount of \$33,139.56 and (iii) interest as allowed by law. The claim was received by the Internal Revenue Service Center on March 23, 2006. A copy of this claim is attached hereto, marked as Exhibit 1, and made a part hereof.

33. On June 7, 2006, the plaintiff resubmitted the Form 843, Claim for Refund and Request for Abatement, to such Internal Revenue Service Center.

34. By letter dated July 6, 2006, the Internal Revenue Service sent the plaintiff a formal Notice of Disallowance of its claim for refund of penalties for failure to file gift tax returns for

1999, 2000 and 2001 and failure to pay gift tax for each of those years. . A copy of the Notice of Disallowance is attached hereto, marked as Exhibit 2, and made a part hereof.

35. The decedent's failure to file a timely gift tax return for 2001 and failure to pay timely the gift tax due was due to reasonable cause and not to willful neglect.

36. The plaintiff has overpaid penalties for 2001 in the amount of \$95,276.23.

WHEREFORE, plaintiff demands (a) judgment on Count I of the Complaint in the amount of \$70,369.38 with appropriate interest thereon, (b) judgment on Count II of the Complaint in the amount of \$86,862.29 with appropriate interest thereon, (c) judgment on Count III of the Complaint in the amount of \$95,276.23 with appropriate interest thereon, and (d) costs allowed by law, and such other relief as the Court may deem just.

KATSKY KORINS LLP

By: 

Mark Walfish

605 Third Avenue
New York, New York 10158
(212) 953-6000

Attorneys for Plaintiff the Estate of George Roy
Hill, Deceased, Edwin Brown and Susan Steiger

Exhibit 1

Registered No. RB 838 248 068 US		Date Stamp MAR 20 2006
To Be Completed By Post Office	Reg. Fee 790	
	Handling Charge	Return Receipt 185
	Postage 231	Restricted Delivery
	Received by UKP 12.06	
Customer Must Declare Full Value \$		<input type="checkbox"/> With Postal Insurance <input type="checkbox"/> Without Postal Insurance
OFFICIAL USE		
To Be Completed By Customer (Please Print) All Entries Must Be in Ballpoint or Typed	FROM	Elias M. Zuckerman, Esq. Katsky Korina LLP 605 Third Avenue, 16th Fl. New York, NY 10158
	TO	Internal Revenue Service 201 West Rivercenter Boulevard Covington, Kentucky 41011
PS Form 3806, Receipt for Registered Mail Copy 1 - Customer May 2004 (7530-02-000-9051) (See Information on Reverse) For domestic delivery information, visit our website at www.usps.com		

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee X <i>[Signature]</i>	
1. Article Addressed to: Internal Revenue Service 201 West Rivercenter Boulevard Covington, KY 41011		B. Received by (Printed Name) _____ Date of Delivery _____ MAR 23 2006	
2. Article Number (Transfer from service label) 838 248 068 US		C. Is the delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide address below: MAR 23 2006	
3. Service Type: <input type="checkbox"/> Certified Mail <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, February 2004		Domestic Return Receipt 102595-02-M-1540	

[Home](#) | [Help](#) | [Sign In](#)[Track & Confirm](#)[FAQs](#)

Track & Confirm

Search Results

Label/Receipt Number: RB83 8248 068U S
Status:

Your item was delivered at 9:45 am on March 23, 2006 in COVINGTON, KY 41019. The item was signed for by W GRIFFIN FOR IRS. A proof of delivery record may be available through your local Post Office for a fee.

Additional information for this item is stored in files offline.

Track & Confirm

Enter Label/Receipt Number.

[Go >](#)[Restore Offline Details >](#)[Return to USPS.com Home >](#)

POSTAL INSPECTORS
Preserving the Trust

[site map](#)[contact us](#) [government services](#) [jobs](#) [National & Premier Accounts](#)
Copyright © 1999-2004 USPS. All Rights Reserved. [Terms of Use](#) [Privacy Policy](#)

KATSKY | KORINS LLP

MEMBERS OF THE FIRM

ROBERT A. ABRAMS	GREGORY K. MARKS
RANDOLPH AMENGUAL	STEVEN H. NEWMAN
DAVID L. KATSKY	STEPHEN J. SWIATKIEWICZ
ADRIENNE B. KOCH	MERYL LYNN UNGER
EUGENE V. KOKOT	MARCY L. WACHTEL
ROY M. KORINS	MARK WALFISH
DENNIS C. KRIEGER	JOEL S. WEISS
THOMAS M. LOPEZ	ELIAS M. ZUCKERMAN

WRITER'S DIRECT DIAL | 212.716.3215

WRITER'S DIRECT FAX | 212.716.3331

WRITER'S EMAIL | ezuckerman@katskykorins.com

OUR REFERENCE | 28766-2

March 20, 2006

REGISTERED MAIL RETURN RECEIPT REQUESTED

Internal Revenue Service
201 West Rivercenter Boulevard
Covington, Kentucky 41011

Re: Estate of George Roy Hill
SSN 472-18-0978V

Dear Sir or Madam:

I am the attorney for the above-referenced taxpayer ("Taxpayer"). A power of attorney, Form 2848, is attached as Exhibit A to this letter.

By letter dated August 1, 2005, a copy of which is attached as Exhibit B, Taxpayer's request for abatement of penalties for failure to file gift tax returns for the years 1999, 2000 and 2001 and failure to pay gift tax for those years was denied.

Accordingly, with this letter, I am filing Forms 843, Claim for Refund and Request for Abatement, for each of the years 1999, 2000 and 2001 for refund of the penalties for failure to file and failure to pay (and accompanying interest) paid by the Taxpayer for each of those years. Per your letter of August 1, 2005, I am requesting that these claims for refund be immediately disallowed and appropriate notices of disallowance be issued so that the Taxpayer may bring suit in the United States District Court.

Please stamp the extra copies of the Forms 843 as received and return to me in the self-addressed envelope. Thank you for your assistance in this matter.


281677-1-W

KATSKY | KORINS LLP

Mr. Edwin S. Brown
March 20, 2006
Page 2

If you have any comments or questions, please do not hesitate to contact me.

Sincerely yours,


Elias M. Zuckerman

EMZ/mrm
Enclosures

cc.: Martin F. Murray, CPA

843**Claim for Refund and Request for Abatement**

OMB No. 1545-0024

Form
Rev. November 2005
Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

Use Form 843 only if your claim involves (a) one of the taxes shown on line 3a or (b) a refund or abatement of interest, penalties, or additions to tax on line 4a.

Do not use Form 843 if your claim is for—

- An overpayment of income taxes;
- A refund for nontaxable use (or sales) of fuel; or
- An overpayment of excise taxes reported on Form(s) 11-C, 720, 730, or 2290.

Type or print	Name of claimant Estate of George Roy Hill, Edwin Brown Executor	Your SSN or ITIN 472 : 18 : 0978
	Address (number, street, and room or suite no.) c/o Murray & Josephson CPAs, LLC 425 Madison Ave.	Spouse's SSN or ITIN :
	City or town, state, and ZIP code New York, NY 10017	Employer identification number (EIN) :
	Name and address shown on return if different from above George Roy Hill c/o Edwin Brown, 59 East 54th St., Rm 73, New York, NY 10022	Daytime telephone number (212) 644-2100
1 Period. Prepare a separate Form 843 for each tax period From 01 / 01 / 99 to 12 / 31 / 99		2 Amount to be refunded or abated \$34,049.70 (FTP) \$36,319.68 (FTP)

3a Type of tax, penalty, or addition to tax:
☐ Employment ☐ Estate ☒ Gift ☐ Excise (see instructions)
☒ Penalty—IRC section ▶ **6651(a)(1), 6651(a)(2)**

b Type of return filed (see instructions):
☐ 706 ☒ 709 ☐ 940 ☐ 941 ☐ 943 ☐ 945 ☐ 990-PF ☐ 4720 ☐ Other (specify)

4a Request for abatement or refund of:

- ☐ Interest as a result of IRS errors or delays.
☐ A penalty or addition to tax as a result of erroneous advice from the IRS.

b Dates of payment ▶

5 Explanation and additional claims. Explain why you believe this claim should be allowed, and show the computation of your tax refund or abatement of interest, penalty, or addition to tax. If you need more space, attach additional sheets.

See Statement #1 attached

Signature. If you are filing Form 843 to request a refund or abatement relating to a joint return, both you and your spouse must sign the claim. Claims filed by corporations must be signed by a corporate officer authorized to sign, and the signature must be accompanied by the officer's title.

Under penalties of perjury, I declare that I have examined this claim, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete.

Edwin S. Brown, Executor
 Signature (Title, if applicable. Claims by corporations must be signed by an officer.)

5/16/06
 Date

Jusam Afari, Executor
 Signature

5/17/06
 Date

Estate of George Roy Hill,
Edwin Brown - Executor

Statement #1

SSN: 472-18-0978

The failure of the taxpayer, George Roy Hill (the "decendent"), to timely file and timely pay his gift tax liability was due to reasonable cause and not due to willful neglect. Accordingly, the penalties for failure to file and failure to pay such tax (along with interest on such penalties) should be refunded to his estate.

A taxpayer should not be penalized for circumstances beyond his control. For many years prior to his death in December 2002, the decedent suffered from Parkinson's disease. As a result of this disease, the decedent suffered from dementia and could not attend to his personal affairs. In addition, his prior accountant, who oversaw decedent's financial affairs for many years and was in possession of his personal records, also became very ill in 1996 and was unable to attend to decedent's affairs. This accountant passed away in November 1999.

After this accountant's death, Edwin S. Brown, who is an executor of the decedent's estate, was forced to devote substantial time and effort to decedent's financial affairs. As a result of the prior accountant's failure to prepare income tax returns for 1995 to 1997, decedent was the subject of an income tax audit. Mr. Brown had a great deal of difficulty in assembling the decedent's income tax information for tax years 1995 to 1999 and arranging for the filing of the income tax returns for these years. Similarly, assembling the information to file the gift tax returns for the years 1998 and 1999 was extremely difficult and time consuming. Once the information for the gift tax return for 1998 and 1999 was assembled, the gift tax returns for 2000 and 2001 could be filed.

Estate of George Roy Hill,
Edwin Brown - Executor

Statement #2

SSN: 472-18-0978

The undersigned executors of the Estate of George Roy Hill state that we filed United States Gift (and Generation-Skipping Transfer) Tax Returns, Forms 709, for the years 1999, 2000 and 2001 on behalf of George Roy Hill and are still acting as executors. Filed herewith is a Statement of Person Claiming Refund Due a Deceased Taxpayer, Form 1310, and a current certificate of letters testamentary.

Form 1310
(Rev. November 2005)
Department of the Treasury
Internal Revenue Service

Statement of Person Claiming Refund Due a Deceased Taxpayer

OMB No. 1545-0074

Attachment
Sequence No. **87**

▶ See instructions below and on back.

Tax year decedent was due a refund:

Calendar year **1999**, or other tax year beginning

, 20

, and ending

, 20

Please print or type	Name of decedent George Roy Hill	Date of death 12/27/02	Decedent's social security number 472 : 18 : 0978
	Name of person claiming refund Estate of George Roy Hill, Edwin Brown Executor		Your social security number
	Home address (number and street). If you have a P.O. box, see instructions. c/o Murray & Josephson, CPAs, LLC 425 Madison Avenue		Apt. no.
	City, town or post office, state, and ZIP code. If you have a foreign address, see instructions. New York, NY 10017		

Part I Check the box that applies to you. Check only one box. Be sure to complete Part III below.

- A ☐ Surviving spouse requesting reissuance of a refund check (see instructions).
- B ☒ Court-appointed or certified personal representative (defined below). Attach a court certificate showing your appointment, unless previously filed (see instructions).
- C ☐ Person, other than A or B, claiming refund for the decedent's estate (see instructions). Also, complete Part II.

Part II Complete this part only if you checked the box on line C above.

- 1 Did the decedent leave a will?
- 2a Has a court appointed a personal representative for the estate of the decedent?
- b If you answered "No" to 2a, will one be appointed?
- If you answered "Yes" to 2a or 2b, the personal representative must file for the refund.
- 3 As the person claiming the refund for the decedent's estate, will you pay out the refund according to the laws of the state where the decedent was a legal resident?
- If you answered "No" to 3, a refund cannot be made until you submit a court certificate showing your appointment as personal representative or other evidence that you are entitled under state law to receive the refund.

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Part III Signature and verification. All filers must complete this part.

I request a refund of taxes overpaid by or on behalf of the decedent. Under penalties of perjury, I declare that I have examined this claim, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of person claiming refund ▶ Edwin S. Brown Executor Date ▶ 3/16/06

General Instructions

Purpose of Form

Use Form 1310 to claim a refund on behalf of a deceased taxpayer.

Who Must File

If you are claiming a refund on behalf of a deceased taxpayer, you must file Form 1310 unless either of the following applies:

- You are a surviving spouse filing an original or amended joint return with the decedent, or
- You are a personal representative (defined on this page) filing an original Form 1040, Form 1040A, Form 1040EZ, or Form 1040NR for the decedent and a court certificate showing your appointment is attached to the return.

Example. Assume Mr. Green died on January 4 before filing his tax return. On April 3 of the same year, you were appointed by the court as the personal representative for Mr. Green's estate and you file Form 1040 for Mr. Green. You do not need to file Form 1310 to claim the refund on Mr. Green's

tax return. However, you must attach to his return a copy of the court certificate showing your appointment.

Where To File

If you checked the box on line A, you can return the joint-name check with Form 1310 to your local IRS office or the Internal Revenue Service Center where you filed your return. If you checked the box on line B or line C, then:

- Follow the instructions for the form to which you are attaching Form 1310, or
- Send it to the same Internal Revenue Service Center where the original return was filed if you are filing Form 1310 separately. If the original return was filed electronically, mail Form 1310 to the Internal Revenue Service Center designated for the address shown on Form 1310 above. See the instructions for the original return for the address.

Personal Representative

For purposes of this form, a personal representative is the executor or administrator of the decedent's estate, as appointed or certified by the court. A copy of the decedent's

Surrogate's Court
365926 of the County of New York

CERTIFICATE OF SUCCESSOR LETTERS TESTAMENTARY
The People of the State of New York

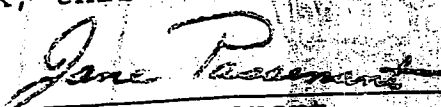
Index# 2003-0483

To all to whom these presents shall come or may concern,

Know Ye, that we, having inspected the records of our Surrogate's Court in and for the County of New York, do find that on October 31, 2003 by said court, SUCCESSOR LETTERS TESTAMENTARY on the estate of George Roy Hill deceased, late of the County of New York were granted unto To Susan Steiger, to act in place and stead of Morton Leavy, now deceased and in conjunction with Edwin S Brown, to whom letters have heretofore issued. the executor(s) named in the last Will and Testament of said deceased, and that it does not appear by said records that letters have been revoked.

In Testimony Whereof, we have caused the Seal of the Surrogate's Court of the County of New York to be hereunto affixed.

WITNESS, Honorable Renee R. Roth, a Surrogate of the County of New York, this 16TH Day of March, 2006.


Jane Passenaut

Clerk of the Surrogate's Court

EXCELSIOR
Unified Court System

843**Claim for Refund and Request for Abatement**

OMB No. 1545-0024

▶ See separate instructions.

November 2005
Department of the Treasury
Internal Revenue Service

Form 843 only if your claim involves (a) one of the taxes shown on line 3a or (b) a refund or abatement of interest, penalties, additions to tax on line 4a.
 not use Form 843 if your claim is for—
 An overpayment of income taxes;
 A refund for nontaxable use (or sales) of fuel; or
 An overpayment of excise taxes reported on Form(s) 11-C, 720, 730, or 2290.

Name of claimant Estate of George Roy Hill, Edwin Brown Executor	Your SSN or ITIN 472 18 0978
Address (number, street, and room or suite no.) c/o Murray & Josephson CPAs, LLC 425 Madison Ave.	Spouse's SSN or ITIN
City or town, state, and ZIP code New York, NY 10017	Employer identification number (EIN)
Name and address shown on return if different from above George Roy Hill c/o Edwin Brown, 59 East 54th St., Rm 73, New York, NY 10022	Daytime telephone number (212) 644-2100
1 Period. Prepare a separate Form 843 for each tax period From 01 / 01 / 00 to 12 / 31 / 00	2 Amount to be refunded or abated \$51,431.62 (FTP) \$35,430.67 (FTP)

3a Type of tax, penalty, or addition to tax:
☐ Employment ☐ Estate ☒ Gift ☐ Excise (see instructions)

b Type of return filed (see instructions):
☐ 706 ☒ 709 ☐ 940 ☐ 941 ☐ 943 ☐ 945 ☐ 990-PF ☐ 4720 ☐ Other (specify)

4a Request for abatement or refund of:

☐ Interest as a result of IRS errors or delays.
☐ A penalty or addition to tax as a result of erroneous advice from the IRS.

b Dates of payment ▶

5 Explanation and additional claims. Explain why you believe this claim should be allowed, and show the computation of your tax refund or abatement of interest, penalty, or addition to tax. If you need more space, attach additional sheets.

See Statement #1 attached

Signature. If you are filing Form 843 to request a refund or abatement relating to a joint return, both you and your spouse must sign the claim. Claims filed by corporations must be signed by a corporate officer authorized to sign, and the signature must be accompanied by the officer's title.

Under penalties of perjury, I declare that I have examined this claim, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete.

Edwin S. Brown, Executor
 Signature (Title, if applicable. Claims by corporations must be signed by an officer.)

3/16/06
 Date

Murray & Josephson, Executives
 Signature

3/16/06
 Date

Cat. No. 10180R

Form 843 (Rev. 11-2005)

Estate of George Roy Hill,
Edwin Brown - Executor

Statement #1

SSN: 472-18-0978

The failure of the taxpayer, George Roy Hill (the "decendent"), to timely file and timely pay his gift tax liability was due to reasonable cause and not due to willful neglect. Accordingly, the penalties for failure to file and failure to pay such tax (along with interest on such penalties) should be refunded to his estate.

A taxpayer should not be penalized for circumstances beyond his control. For many years prior to his death in December 2002, the decedent suffered from Parkinson's disease. As a result of this disease, the decedent suffered from dementia and could not attend to his personal affairs. In addition, his prior accountant, who oversaw decedent's financial affairs for many years and was in possession of his personal records, also became very ill in 1996 and was unable to attend to decedent's affairs. This accountant passed away in November 1999.

After this accountant's death, Edwin S. Brown, who is an executor of the decedent's estate, was forced to devote substantial time and effort to decedent's financial affairs. As a result of the prior accountant's failure to prepare income tax returns for 1995 to 1997, decedent was the subject of an income tax audit. Mr. Brown had a great deal of difficulty in assembling the decedent's income tax information for tax years 1995 to 1999 and arranging for the filing of the income tax returns for these years. Similarly, assembling the information to file the gift tax returns for the years 1998 and 1999 was extremely difficult and time consuming. Once the information for the gift tax return for 1998 and 1999 was assembled, the gift tax returns for 2000 and 2001 could be filed.

Estate of George Roy Hill,
Edwin Brown - Executor

Statement #2

SSN: 472-18-0978

The undersigned executors of the Estate of George Roy Hill state that we filed United States Gift (and Generation-Skipping Transfer) Tax Returns, Forms 709, for the years 1999, 2000 and 2001 on behalf of George Roy Hill and are still acting as executors. Filed herewith is a Statement of Person Claiming Refund Due a Deceased Taxpayer, Form 1310, and a current certificate of letters testamentary.

Form **1310**
(Rev. November 2005)
Department of the Treasury
Internal Revenue Service

Statement of Person Claiming Refund Due a Deceased Taxpayer

OMB No. 1545-0074

Attachment
Sequence No. **87**

▶ See instructions below and on back.

Tax year decedent was due a refund:

Calendar year **2000**, or other tax year beginning

, 20 , and ending

, 20

Please
print
or
type

Name of decedent

George Roy Hill

Date of death

12/27/02

Decedent's social security number

472 : 18 : 0978

Name of person claiming refund

Estate of George Roy Hill, Edwin Brown Executor

Your social security number

Home address (number and street). If you have a P.O. box, see instructions.

c/o Murray & Josephson, CPAs, LLC 425 Madison Avenue

Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see instructions.

New York, NY 10017**Part I** Check the box that applies to you. Check only one box. Be sure to complete Part III below.

- A** ☐ Surviving spouse requesting reissuance of a refund check (see instructions).
- B** ☒ Court-appointed or certified personal representative (defined below). Attach a court certificate showing your appointment, unless previously filed (see instructions).
- C** ☐ Person, other than A or B, claiming refund for the decedent's estate (see instructions). Also, complete Part II.

Part II Complete this part only if you checked the box on line C above.

- 1 Did the decedent leave a will?
- 2a Has a court appointed a personal representative for the estate of the decedent?
- b If you answered "No" to 2a, will one be appointed?
- If you answered "Yes" to 2a or 2b, the personal representative must file for the refund.
- 3 As the person claiming the refund for the decedent's estate, will you pay out the refund according to the laws of the state where the decedent was a legal resident?
- If you answered "No" to 3, a refund cannot be made until you submit a court certificate showing your appointment as personal representative or other evidence that you are entitled under state law to receive the refund.

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Part III Signature and verification. All filers must complete this part.

I request a refund of taxes overpaid by or on behalf of the decedent. Under penalties of perjury, I declare that I have examined this claim, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of person claiming refund ▶

Edwin S. Brown, Executor

Date ▶

*3/16/06***General Instructions****Purpose of Form**

Use Form 1310 to claim a refund on behalf of a deceased taxpayer.

Who Must File

If you are claiming a refund on behalf of a deceased taxpayer, you must file Form 1310 unless either of the following applies:

- You are a surviving spouse filing an original or amended joint return with the decedent, or
- You are a personal representative (defined on this page) filing an original Form 1040, Form 1040A, Form 1040EZ, or Form 1040NR for the decedent and a court certificate showing your appointment is attached to the return.

Example. Assume Mr. Green died on January 4 before filing his tax return. On April 3 of the same year, you were appointed by the court as the personal representative for Mr. Green's estate and you file Form 1040 for Mr. Green. You do not need to file Form 1310 to claim the refund on Mr. Green's

tax return. However, you must attach to his return a copy of the court certificate showing your appointment.

Where To File

If you checked the box on line A, you can return the joint-name check with Form 1310 to your local IRS office or the Internal Revenue Service Center where you filed your return. If you checked the box on line B or line C, then:

- Follow the instructions for the form to which you are attaching Form 1310, or
- Send it to the same Internal Revenue Service Center where the original return was filed if you are filing Form 1310 separately. If the original return was filed electronically, mail Form 1310 to the Internal Revenue Service Center designated for the address shown on Form 1310 above. See the instructions for the original return for the address.

Personal Representative

For purposes of this form, a personal representative is the executor or administrator of the decedent's estate, as appointed or certified by the court. A copy of the decedent's

Surrogate's Court
of the County of New York
365925

CERTIFICATE OF SUCCESSOR LETTERS TESTAMENTARY
The People of the State of New York

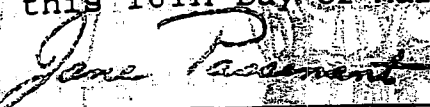
Index# 2003-0483

To all to whom these presents shall come or may concern,

Know Ye, that we, having inspected the records of our Surrogate's Court in and for the County of New York, do find that on October 31, 2003 by said court, SUCCESSOR LETTERS TESTAMENTARY on the estate of George Roy Hill deceased, late of the County of New York were granted unto To Susan Steiger, to act in place and stead of Morton Leavy, now deceased and in conjunction with Edwin S Brown, to whom letters have heretofore issued, the executor(s) named in the last Will and Testament of said deceased, and that it does not appear by said records that letters have been revoked.

In Testimony Whereof, we have caused the Seal of the Surrogate's Court of the County of New York to be hereunto affixed.

WITNESS, Honorable Renee R. Roth, a Surrogate of the County of New York, this 16TH Day of March, 2006.


Jane Passenante

Clerk of the Surrogate's Court

EXCELSIOR
Unified Court System

843**Claim for Refund and Request for Abatement**

OMB No. 1545-0024

▶ See separate instructions.

Rev. November 2005
Department of the Treasury
Internal Revenue Service

Use Form 843 only if your claim involves (a) one of the taxes shown on line 3a or (b) a refund or abatement of interest, penalties, or additions to tax on line 4a.

Do not use Form 843 if your claim is for—

- An overpayment of income taxes;
- A refund for nontaxable use (or sales) of fuel; or
- An overpayment of excise taxes reported on Form(s) 11-C, 720, 730, or 2290.

Name of claimant Estate of George Roy Hill, Edwin Brown Executor		Your SSN or ITIN 472 18 0978
Address (number, street, and room or suite no.) c/o Murray & Josephson CPAs, LLC 425 Madison Ave.		Spouse's SSN or ITIN
City or town, state, and ZIP code New York, NY 10017		Employer identification number (EIN)
Name and address shown on return if different from above George Roy Hill c/o Edwin Brown, 59 East 54th St., Rm 73, New York, NY 10022		Daytime telephone number (212) 644-2100
1 Period. Prepare a separate Form 843 for each tax period From 01 / 01 / 01 to 12 / 31 / 01		2 Amount to be refunded or abated (\$62,136.67 (FTP)) (\$33,139.56 (FTP))

3a Type of tax, penalty, or addition to tax:
☐ Employment ☐ Estate ☒ Gift ☐ Excise (see instructions)
☒ Penalty—IRC section ▶ **6651(a)(1), 6651(a)(2)**

b Type of return filed (see instructions):
☐ 706 ☒ 709 ☐ 940 ☐ 941 ☐ 943 ☐ 945 ☐ 990-PF ☐ 4720 ☐ Other (specify)

4a Request for abatement or refund of:

- ☐ Interest as a result of IRS errors or delays.
- ☐ A penalty or addition to tax as a result of erroneous advice from the IRS.

b Dates of payment ▶

5 Explanation and additional claims. Explain why you believe this claim should be allowed, and show the computation of your tax refund or abatement of interest, penalty, or addition to tax. If you need more space, attach additional sheets.

See Statement #1 attached

Signature. If you are filing Form 843 to request a refund or abatement relating to a joint return, both you and your spouse must sign the claim. Claims filed by corporations must be signed by a corporate officer authorized to sign, and the signature must be accompanied by the officer's title.

Under penalties of perjury, I declare that I have examined this claim, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete.

Edwin S. Brown Executor
Signature (Title, if applicable. Claims by corporations must be signed by an officer.)

3/16/06
Date

Susan H. Brown Executor
Signature

3/17/06
Date

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 10180R

Form 843 (Rev. 11-2005)

Estate of George Roy Hill,
Edwin Brown - Executor

Statement #1

SSN: 472-18-0978

The failure of the taxpayer, George Roy Hill (the "decedent"), to timely file and timely pay his gift tax liability was due to reasonable cause and not due to willful neglect. Accordingly, the penalties for failure to file and failure to pay such tax (along with interest on such penalties) should be refunded to his estate.

A taxpayer should not be penalized for circumstances beyond his control. For many years prior to his death in December 2002, the decedent suffered from Parkinson's disease. As a result of this disease, the decedent suffered from dementia and could not attend to his personal affairs. In addition, his prior accountant, who oversaw decedent's financial affairs for many years and was in possession of his personal records, also became very ill in 1996 and was unable to attend to decedent's affairs. This accountant passed away in November 1999.

After this accountant's death, Edwin S. Brown, who is an executor of the decedent's estate, was forced to devote substantial time and effort to decedent's financial affairs. As a result of the prior accountant's failure to prepare income tax returns for 1995 to 1997, decedent was the subject of an income tax audit. Mr. Brown had a great deal of difficulty in assembling the decedent's income tax information for tax years 1995 to 1999 and arranging for the filing of the income tax returns for these years. Similarly, assembling the information to file the gift tax returns for the years 1998 and 1999 was extremely difficult and time consuming. Once the information for the gift tax return for 1998 and 1999 was assembled, the gift tax returns for 2000 and 2001 could be filed.

state of George Roy Hill,
dwain Brown - Executor

Statement #2

SSN: 472-18-0978

The undersigned executors of the Estate of George Roy Hill state that we filed United States Gift (and Generation-Skipping Transfer) Tax Returns, Forms 709, for the years 1999, 2000 and 2001 on behalf of George Roy Hill and are still acting as executors. Filed herewith is a Statement of Person Claiming Refund Due a Deceased Taxpayer, Form 1310, and a current certificate of letters testamentary.

Form 1310 Rev. November 2005 Department of the Treasury Internal Revenue Service	Statement of Person Claiming Refund Due a Deceased Taxpayer	OMB No. 1545-0074 Attachment Sequence No. 87
▶ See instructions below and on back.		

Tax year decedent was due a refund:

Calendar year 2001 , or other tax year beginning	, 20	, and ending	, 20
Name of decedent George Roy Hill		Date of death 12/27/02	Decedent's social security number 472 : 18 : 0978
Name of person claiming refund Estate of George Roy Hill, Edwin Brown Executor		Your social security number : :	
Home address (number and street). If you have a P.O. box, see instructions. c/o Murray & Josephson, CPAs, LLC 425 Madison Avenue			Apt. no. :
City, town or post office, state, and ZIP code. If you have a foreign address, see instructions. New York, NY 10017			

Part I Check the box that applies to you. Check only one box. Be sure to complete Part III below.

- A ☐ Surviving spouse requesting reissuance of a refund check (see instructions).
- B ☒ Court-appointed or certified personal representative (defined below). Attach a court certificate showing your appointment, unless previously filed (see instructions).
- C ☐ Person, other than A or B, claiming refund for the decedent's estate (see instructions). Also, complete Part II.

Part II Complete this part only if you checked the box on line C above.

- | | Yes | No |
|--|-------------------------------------|----|
| 1 Did the decedent leave a will? | <input checked="" type="checkbox"/> | |
| 2a Has a court appointed a personal representative for the estate of the decedent? | <input checked="" type="checkbox"/> | |
| b If you answered "No" to 2a, will one be appointed? | | |
| If you answered "Yes" to 2a or 2b, the personal representative must file for the refund. | | |
| 3 As the person claiming the refund for the decedent's estate, will you pay out the refund according to the laws of the state where the decedent was a legal resident? | <input checked="" type="checkbox"/> | |
| If you answered "No" to 3, a refund cannot be made until you submit a court certificate showing your appointment as personal representative or other evidence that you are entitled under state law to receive the refund. | | |

Part III Signature and verification. All filers must complete this part.

I request a refund of taxes overpaid by or on behalf of the decedent. Under penalties of perjury, I declare that I have examined this claim, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of person claiming refund ▶ Edwin S. Brown, Executor Date ▶ 3/16/06

General Instructions

Purpose of Form

Use Form 1310 to claim a refund on behalf of a deceased taxpayer.

Who Must File

If you are claiming a refund on behalf of a deceased taxpayer, you must file Form 1310 unless either of the following applies:

- You are a surviving spouse filing an original or amended joint return with the decedent, or
- You are a personal representative (defined on this page) filing an original Form 1040, Form 1040A, Form 1040EZ, or Form 1040NR for the decedent and a court certificate showing your appointment is attached to the return.

Example. Assume Mr. Green died on January 4 before filing his tax return. On April 3 of the same year, you were appointed by the court as the personal representative for Mr. Green's estate and you file Form 1040 for Mr. Green. You do not need to file Form 1310 to claim the refund on Mr. Green's

tax return. However, you must attach to his return a copy of the court certificate showing your appointment.

Where To File

If you checked the box on line A, you can return the joint-name check with Form 1310 to your local IRS office or the Internal Revenue Service Center where you filed your return. If you checked the box on line B or line C, then:

- Follow the instructions for the form to which you are attaching Form 1310, or
- Send it to the same Internal Revenue Service Center where the original return was filed if you are filing Form 1310 separately. If the original return was filed electronically, mail Form 1310 to the Internal Revenue Service Center designated for the address shown on Form 1310 above. See the instructions for the original return for the address.

Personal Representative

For purposes of this form, a personal representative is the executor or administrator of the decedent's estate, as appointed or certified by the court. A copy of the decedent's

Surrogate's Court
365924 of the County of New York

CERTIFICATE OF SUCCESSOR LETTERS TESTAMENTARY
The People of the State of New York

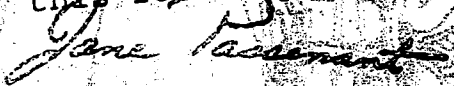
Index# 2003-0483

To all to whom these presents shall come or may concern,

Know Ye, that we, having inspected the records of our Surrogate's Court in and for the County of New York, do find that on October 31, 2003 by said court, SUCCESSOR LETTERS TESTAMENTARY on the estate of George Roy Hill deceased, late of the County of New York were granted unto To Susan Steiger, to act in place and stead of Morton Leavy, now deceased and in conjunction with Edwin S Brown, to whom letters have heretofore issued, the executor(s) named in the last Will and Testament of said deceased, and that it does not appear by said records that letters have been revoked.

In Testimony Whereof, we have caused the Seal of the Surrogate's Court of the County of New York to be hereunto affixed.

WITNESS, Honorable Renee R. Roth, a Surrogate of the County of New York, this 16TH Day of March, 2006.


Jane Passenant

Clerk of the Surrogate's Court



EXHIBIT A

2848Rev. March 2004)
Department of the Treasury
Internal Revenue Service**Power of Attorney
and Declaration of Representative**

► Type or print. ► See the separate instructions.

OMB No. 1545-0150

For IRS Use Only

Received by:

Name

Telephone

Function

Date / /

Part I Power of Attorney**Caution: Form 2848 will not be honored for any purpose other than representation before the IRS.**

Taxpayer(s) must sign and date this form on page 2, line 9.

1 Taxpayer information. Taxpayer(s) must sign and date this form on page 2, line 9.	Social security number(s) 472 : 18 : 0978	Employer identification number
Taxpayer name(s) and address Estate of George Roy Hill Edwin Brown Executor c/o Murray & Josephson CPAs, LLC 425 Madison Avenue, 9th Floor New York, NY 10022	Daytime telephone number (212) 644-2100	Plan number (if applicable)

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

2 Representative(s) must sign and date this form on page 2, Part II.

Name and address Elias M. Zuckerman Katsky Korins LLP 605 Third Avenue New York, NY 10158	CAF No. 2005-16670R Telephone No. 212-716-3215 Fax No. 212-716-3331 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. Telephone No. Fax No. Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. Telephone No. Fax No. Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

3 Tax matters	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)
Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (see the instructions for line 3)		
Gift/Civil Penalty (6651)	709	1999-2001

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. Specific uses not recorded on CAF. ☐**5 Acts authorized.** The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.**Exceptions.** An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See Unenrolled Return Preparer on page 2 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Circular 230. See the line 5 instructions for restrictions on tax matters partners.

List any specific additions or deletions to the acts otherwise authorized in this power of attorney:

6 Receipt of refund checks. If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE** OR CASH, refund checks, initial here _____ and list the name of that representative below.

Name of representative to receive refund check(s) ►

Form 2848 (Rev. 3-2004)

- 7 **Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.
- a If you also want the second representative listed to receive a copy of notices and communications, check this box ☐
- b If you do not want any notices or communications sent to your representative(s), check this box ☐
- 8 **Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here. ☐
- YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

- 9 **Signature of taxpayer(s).** If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

► IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.

Edwin S. Brown
Signature

3/16/06
Date

Executor
Title (if applicable)

Edwin Brown
Print Name

☐☐☐☐☐
PIN Number

Print name of taxpayer from line 1 if other than individual

Susan Steiger
Signature

3/17/06
Date

Executor
Title (if applicable)

Susan Steiger
Print Name

☐☐☐☐☐
PIN Number

Part II Declaration of Representative

Caution: Students with a special order to represent taxpayers in Qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program, see the instructions for Part II.

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Treasury Department Circular No. 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
 - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c Enrolled Agent—enrolled as an agent under the requirements of Treasury Department Circular No. 230.
 - d Officer—a bona fide officer of the taxpayer's organization.
 - e Full-Time Employee—a full-time employee of the taxpayer.
 - f Family Member—a member of the taxpayer's immediate family (i.e., spouse, parent, child, brother, or sister).
 - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Service is limited by section 10.3(d) of Treasury Department Circular No. 230).
 - h Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Treasury Department Circular No. 230, section 10.7(c)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See Unenrolled Return Preparer on page 2 of the instructions.

► IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED. See the Part II instructions.

Designation—Insert above letter (a–h)	Jurisdiction (state) or identification	Signature	Date
a	NY	<u>Edwin S. Brown</u>	<u>03/17/06</u>

EXHIBIT B

Internal Revenue Service
P.O. Box 400
Stop #906, Appeals Team
Holtsville, NY 11742

Date: AUG 01 2005

GEORGE ROY HILL ESTATE
54 W 54TH ST STE 73 **59 ESY St**
NEW YORK, NY 10022

Person to Contact:

Lisa King
Employee ID Number: 19-20479
Tel: 631-687-8045

Fax:

Contact Hours: 7:00AM - 3:30PM

Refer Reply to:

AP:CO:A2:LI-BRC:LK

In Re:

Penalty Appeals

SSN/EIN Number:

342-80-2288

Amount of Assessed Penalty(s):

\$176,293.56

\$136,751.66

I.R.C. Section(s):

6651(a)(1)

6651(a)(2)

Tax Period(s) Ended:

12/31/1998 [12/31/1999 12/31/2000

12/31/2001]

Executor George Hill Estate :

I have completed my review of your claim for abatement and/or refund of penalties that we have charged you. Based on the information you submitted, I am pleased to tell you that we are allowing \$60,537.32 which is the Failure to File and Failure to Pay penalties for 1998. The penalties for 1999- 2001 have been sustained.

If you do not agree with this finding, your next level of appeal would be to file a petition with the Court. You may do this now by filing a claim for refund on the enclosed form after you pay the penalty charges (if not already paid). To avoid additional interest, the balance due should be paid as soon as possible. You should request in writing that your claim for refund be immediately disallowed. You will then be issued a notice of disallowance to bring suit in the United States District Court having jurisdiction, or in the U.S. Court of Federal Claims.

Do not file the enclosed Form 843 unless you disagree with the above determination and you want to take your case to court. Your claim should be mailed to the address shown below. If you want to take your case to court now, you should request in writing that your claim for refund be immediately rejected. You will then be issued a notice of disallowance. You will have 2 years from the date of the notice of disallowance to bring suit in the United States District Court having jurisdiction, or in the United States Court of Claims.

If you have any further questions on this matter, please call me at the telephone number shown above.

Sincerely,

Lisa Glatras
Appeals Officer

cc: Joel A. Poretsky
Enclosure: Form 843

843**Claim for Refund and Request for Abatement**

OMB No. 1545-0024

▶ See separate instructions.

Form
(Rev. November 2002)
Department of the Treasury
Internal Revenue Service

Use Form 843 only if your claim involves (a) one of the taxes shown on line 3a or (b) a refund or abatement of interest, penalties, or additions to tax on line 4a.
Do not use Form 843 if your claim is for—

- An overpayment of income taxes;
- A refund for nontaxable use (or sales) of fuel; or
- An overpayment of excise taxes reported on Form(s) 11-C, 720, 730, or 2290.

Name of claimant	Your SSN or ITIN
Address (number, street, and room or suite no.)	Spouse's SSN or ITIN
City or town, state, and ZIP code	Employer identification number (EIN)
Name and address shown on return if different from above	Daytime telephone number ()

1 Period. Prepare a separate Form 843 for each tax period
From / / to / /

2 Amount to be refunded or abated
\$

3a Type of tax, penalty, or addition to tax:
☐ Employment ☐ Estate ☐ Gift ☐ Excise (see instructions)

☐ Penalty—IRC section ▶

b Type of return filed (see instructions):

☐ 706 ☐ 709 ☐ 940 ☐ 941 ☐ 943 ☐ 945 ☐ 990-PF ☐ 4720 ☐ Other (specify)

4a Request for abatement or refund of:

☐ Interest as a result of IRS errors or delays.

☐ A penalty or addition to tax as a result of erroneous advice from the IRS.

b Dates of payment ▶

5 Explanation and additional claims. Explain why you believe this claim should be allowed, and show computation of tax refund or abatement of interest, penalty, or addition to tax. If you need more space, attach additional sheets.

Signature. If you are filing Form 843 to request a refund or abatement relating to a joint return, both you and your spouse must sign the claim. Claims filed by corporations must be signed by a corporate officer authorized to sign, and the signature must be accompanied by the officer's title.

Under penalties of perjury, I declare that I have examined this claim, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete.

Signature (Title, if applicable. Claims by corporations must be signed by an officer.)

Date

Date

Signature

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 10180R

Form 843 (Rev. 11-2002)

Exhibit 2

IS Department of the Treasury
Internal Revenue Service

CINCINNATI OH 45999-0029
71836086645480682761

In reply refer to: 2477104951
July 06, 2006 LTR 105C E0
472-18-0978V 199912 51 000 1
00567
BODC: SB

GEORGE ROY HILL ESTATE
EDWIN S BROWN
% ELIAS ZUCKERMAN
ESANU KATSKY KORINS & SIG
605 3RD AVE
NEW YORK NY 10158-0180

CERTIFIED MAIL

Taxpayer Identification Number: 472-18-0978V
Kind of Tax: Gift Tax Forms 709
Amount of Claims: \$ 70,729.38 86,862.29
95,276.23
Date of Claim(s) Received: June 07, 2006
Tax Periods: Dec. 31, 1999 Dec. 31, 2000
Dec. 31, 2001

WE COULDN'T ALLOW YOUR CLAIM

Dear Taxpayer:

WHY WE'RE SENDING YOU THIS LETTER

This letter is your notice that we've disallowed your claims for credit for the periods shown above.

WHY WE CANNOT ALLOW YOUR CLAIM

Your request for abatement of penalties for the reasoning of reliance on third parties does not meet reasonable cause criteria and was previously disallowed by the Cincinnati Service Center Estate and Gift Tax area and in the campus appeals area.

IF YOU DISAGREE

If you do not agree with our decision, you may file suit to recover tax, penalties, or other amounts, with the United States District Court having jurisdiction or with the United States Claims Court. These courts are part of the judiciary branch of the federal government and have no connection with the Internal Revenue Service.

The law permits you to do this within 2 years from the date of this letter. If you decide to appeal our decision first, the 2-year period still begins from the date of this letter. However, if you signed an agreement that waived your right to the notice of disallowance (Form 2297), the period for filing suit begins on the date you filed the waiver.

HOW TO CONTACT US

2477104951

July 06, 2006 LTR 105C EO
472-18-0978V 199912 51 000 1
00568

GEORGE ROY HILL ESTATE
EDWIN S BROWN
% ELIAS ZUCKERMAN
ESANU KATSKY KORINS & SIG
605 3RD AVE
NEW YORK NY 10158-0180

If you have any questions, please call us toll free at
1-866-699-4083.

If you prefer, you may write to us at the address shown at the top
of the first page of this letter.

Whenever you write, please include this letter and, in the spaces
below, give us your telephone number with the hours we can reach you.
Also, you may want to keep a copy of this letter for your records.

Telephone Number () _____ Hours _____

Sincerely yours,

Aileen F. Condon

Aileen F. Condon
Chief, Estate & Gift Tax Program

Enclosure(s):
Publication 1